

Message Text

CONFIDENTIAL

PAGE 01 TEGUCI 01301 281606Z

64

ACTION ARA-20

INFO OCT-01 ISO-00 IGA-02 AID-20 PC-04 EB-11 COME-00 OMB-01

TRSE-00 CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 RSC-01

USIA-15 PRS-01 SPC-03 SS-20 NSC-07 DRC-01 /121 W

----- 124989

R 281353Z MAR 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 6668

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L TEGUCIGALPA 1301

E.O. 11652: GDS

TAGS: ECIN, EAID, PFOR, HO, XK

SUBJECT: HONDURAS MAKING SERIOUS EFFORTS IN RESTRUCTURING
CACM THROUGH HLC

GUATEMALA FOR ROCAP

REF: GUATEMALA 1632

SUMMARY: REFTTEL PROVIDES CONVENIENT OPPORTUNITY TO RECONSIDER
ECONOMIC RELATIONSHIP OF HONDURAS TO ITS FOUR NEIGHBORS.
HONDURAS WILL FORMULATE THESE RELATIONS WITH OR WITHOUT
THE CACM ORGANISM DEPENDING UPON THE RESULTS OF "RESTRUCTURING"
NOW UNDER DISCUSSION IN THE HIGH LEVEL COMMITTEE. THE
FOLLOWING PERCEPTION IN SUBSTANCE REITERATES CONTENTIONS OF
THIS POST FOR THE PAST FOUR YEARS. THE NEW ACTIVE ROLE OF
HONDURAS IN THE HLC INDICATES A WILLINGNESS AND CHANGE IN
POSITION TO SEEK OUT SOLUTIONS TO A RESTRUCTURED CACM. END SUMMARY

1. COUNTRY TEAM WISHES TO PROVIDE ALTERNATIVE INTERPRETATION
TO THE ANALYSIS GIVEN REFTTEL ON VILLANUEVA'S POSITION TAKEN
IN HIS HIGH LEVEL COMMITTEE SPEECH OF MARCH 20. VILLANUEVA'S
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEGUCI 01301 281606Z

CITED COMMENT THAT PREVIOUS WORK OF CACM ORGANS WAS "SIMPLE

ENUCIATION OF PRINCIPLES AND ORGANIZATION CHARTS" HAS OBVIOUS ELEMENTS OF HYPERBOLE. HOWEVER, ROCAP SUSPICION THAT HONDURAS APPROACH WAS "FALSE INITIATIVE TO COVE WHAT IS SEEN AS REALLY A PLOT IN CONTINUING GOH STRATEGIE TO DELAY RESTRUCTURING" IN OUR VIEW COMPLETELY MISSES REALITY OF HONDURAN POSITION. HONDURAN EXPERIENCE WITH OLD FRAMEWORK OF CACM CATEGORICALLY AND OBJECTIVELY NEGATIVE; GOH EXPECTS WINDOW DRESSING WILL NOT SOLVE UNDERLYING STRUCTURAL PROBLEMS OF IMBALANCE. DESIRE OF GOES (PERHAPS OTHER CAS AND ROCAP) TO SEE HONDURAS RE-ENTER CACM WITH LITTLE OR NO CHANGE IN SUBSTANTIVE CONDITIONS OF CACM IS PRIMARY CAUSE INCAPACITY TO CONCEIVE OF "RESTRUCTURING" AS SIGNIFYING MEANINGFUL CHANGE FROM PAST.

2. VILLANUEVA ATTEMPTED TO EXPAND THE CONCEPTION OF CACM BEYOND THE OSSIFIED FRAMEWORK WHOLLY UNSUITABLE FOR HONDURAN ECONOMIC INTERESTS. THE ATTEMPT CONTAINS, IN OUR VIEW, TWO ELEMENTS.

3. FIRST, VILLANUEVA HAS STATED THE NECESSITY THAT RESTRUCTURING BE ON AN IMAGINATIVE LEVEL IN ORDER TO BREAK OUT OF PATTERNS WHICH PROVED UPON TRIAL AND APPLICATION ECONOMICALLY DISASTROUS FOR HONDURAS. IN THIS SENSE VILLANUEVA'S PRESENTATIONS WERE SUPPORTED IN THE LOCAL PRESS AS A BREATH OF FRESH AIR, AND A HONDURAN INITIATIVE TOWARD RENEWAL OF POSITIVE COMMERCIAL RELATIONS WITH EL SALVADOR AND OTHER NEIGHBORS.

4. THE SECOND ELEMENT OF VILLANUEVA'S PRESENTATION IS THE STATED DESIRE FOR EXPANSION INTO AN ARENA OF COOPERATION BROADER THAN CA, TO INCLUDE POSSIBLY VENEZUELA, ECUADOR, MEXICO, THE CARIBBEAN STATES, OR ANY OTHER COUNTRY WITH WHOM CLOSER COMMERCIAL RELATIONS COULD BE MUTUALLY BENEFICIAL. ONLY WITH DIFFICULTY COULD POLITICAL SUPPORT IN HONDURAS BE

GARNERED FOR SO BROAD AN ARRANGEMENT AS THAT FORESEEN BY VILLANUEVA'S IMAGINATION. NEVERTHELESS, IT SHOULD BE REMEMBERED THAT HONDURAN POLITICAL IMPETUS TOWARD CENTRAL AMERICAN INTEGRATION IS TRADITIONAL, DATING BACK TO THE FOUNDATION OF THE COUNTRY.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEGUCI 01301 281606Z

5. THERE IS, HOWEVER, A REALITY TO THE BROADER REGIONALISM WHICH DERIVES, WE BELIEVE, FROM THE NECESSITY FOR HONDURAS TO THINK OF ECONOMIC POLICY OPTIONS IN A WIDER CONTEXT. THE INCAPACITY OF HONDURAS TO ADAPT TO THE INDUSTRIALIZATION CONTEXT OF THE CACM IS NOT TRANSITORY. WHILE THE CACM CANNOT, OF COURSE, BE EXPECTED TO READILY ADAPT TO THE ECONOMIC CONDITIONS OF HONDURAS, THIS MUST OF NECESSITY

CONSTITUTE A THRUST OF THE HONDURAN RESTRUCTURING OBJECTIVES.

6. WHILE WE CONSIDER IT NAIVE TO THINK OF A REGIONAL ECOOPERATION SO BROAD AS OUTLINED BY VILLANUEVA, IT IS NO LESS INGENUOUS TO BELIEVE THAT HONDURAS MUST CONTINUE TO FACE THE STIFLING OPERATIONAL CHARACTERISTICS OF THE CACM AS CONSTITUTED IN 1970.

7. IT WOULD SEEM THAT TO THE EXTENT THAT SUBJUGATION OF HONDURAS TO NONVIABLE ECONOMIC COMMITMENTS IS THE OBJECTIVE OF THE CACM HIGH LEVEL COMMITTEE, HONDURAS WILL NOT, AND CANNOT, MAKE ANY LASTING COMMITMENTS. THE MENTALITY WHICH SUPPORTS INTEGRATION FOR INTEGRATION'S SAKE HAS NO VALIDITY IN THE THEORY OR PRACTICE OF CACM COOPERATION. WE DO NOT ANTICIPATE THAT HONDURAS WILL AGREE TO AN "INSTANT REPLAY" OF THE ECONOMIC BENEFITS WHICH ACCRUED TO SEVERAL CACM PARTNERS; IT HAS DEFINITE ECONOMIC GOALS WHICH IT MUST ACHIEVE DESPITE ITS HISTORICAL COMMITMENT TO LA PATRIA GRANDE.

8. THE PARTICIPANTS IN THE HLC MUST TAKE INTO ACCOUNT THE ABOVE BASIC CONDITIONS GUIDING HONDURAN VIEWS OF WHAT IS IN ITS SELF-INTEREST. VILLANUEVA'S FLIGHTS OF FANCY MUST BE GIVEN PRAGMATIC MEANING WITHIN THE RESTRUCTURING PORCESS AND THE STRONG HONDURAN MOTIVATION TOWARD POLITICAL COOPERATION WITH ITS NEIGHBORS MUST BE GIVEN PRAGMATIC ECONOMIC EXPRESSION. IF THE GOES OR THE CACM INSTITUTIONS ARE UNABLE TO CONCEIVE OF THE CREATION OF A MULTILATERAL RELATIONSHIP WHICH GIVES DUE ACCOUNT TO THE DISADVANTAGES AND BENEFITS OF ACTIVE HONDURAN ECONOMIC SUPPORT AND PARTICIPATION, THEN ONLY THOSE CACM INSTITUTIONAL ELEMENTS OF PROVEN EFFECTIVENESS IN THIS REGARD, SUCH AS CABEI, SHOULD BE CONTINUED, NOT AS ORGANIZATIONAL VESTIGES OF CACM, BUT AS INSTITUTIONS WITH THEIR OWN RAISON D'ETRE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 TEGUCI 01301 281606Z

9. WE DO NOT DESIRE TO IMPUGN MOTIVES; NONETHELESS, IT WOULD APPEAR THAT EL SALVADOR IS ATTEMPTING TO DISASSOCIATE HONDURAS FROM THE NEUTRAL THREE ON ECONOMIC ISSUES RELATED TO RESTRUCTURING DUE TO ITS POSITION IN THE SERIOUS POLITICAL PROBLEMS OUTSTANDING BETWEEN IT AND HONDURAS. THE TACTIC SEEMS TO BE UNDERSTANDABLE. INTERESTED PARTIES, INCLUDING ROCAP, MAY WISH TO RE-ESTABLISH THE STATUS QUO ANTE, IF ONLY ON A "FOUR IN, HONDURAS OUT" BASIS. THE CONTRADICTION IN THE EL SALVADOR TACTIC, IF THIS BE ITS COURSE, IS THAT SALVADOR IS IN NEED OF THE MARKET, THE ECONOMIC SPACE AND ROUTES OF COMMUNICATION WHICH IN PREVIOUS YEARS IT HAD OBTAINED IN HONDURAS. THIS WE MUST SEE THE GOES TACTIC OF BUILDING WALLS AS SHORTSIGHTED.

10 COMMENT: WHAT IS PERHAPS MOST SIGNIFICANT NOW IS THAT THE HONDURANS HAVE TAKEN A MORE ACTIVE AND VIGOROUS ROLE IN PRESENTING THEIR IMAGINATIVE VIEWS IN A CACM FORM IN THE HLC. THE HONDURAN POSITION IS A SERIOUS ONE AND THEIR NEW AND MORE ACTIVE PARTICIPATION IN THE HLC IS AN EXPRESSION OF THEIR GOOD FAITH IN WANTING TO ESTABLISH A DIALOGUE. BUT IT APPEARS CLEAR FROM THE REPORTING THAT WHILE THE HONDURANS ARE BEGINNING TO TALK SERIOUSLY, FEW ARE WILLING TO LISTEN TO THE VIEWS OF THE WEAKER PARTNER IN THE ABSTRACTION OF INTEGRATION.
SANCHEZ

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, ECONOMIC COOPERATION, ECONOMIC RECONSTRUCTION, COMMITTEE MEETINGS, COUNTRY TEAM, SPEECHES, FOREIGN POLICY POSITION, ECONOMIC I NTEGRATION
Control Number: n/a
Copy: SINGLE
Draft Date: 28 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TEGUCI01301
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740068-0348
From: TEGUCIGALPA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974036/aaaaafoc.tel
Line Count: 180
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: GUATEMALA 1632
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAR 2002 by golinofr>; APPROVED <23 APR 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HONDURAS MAKING SERIOUS EFFORTS IN RESTRUCTURING CACM THROUGH HLC
TAGS: ECON, EAID, PFOR, HO, XK, CACM, (VILLANUEVA)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005